

## State Appeal Board

### Purpose and History

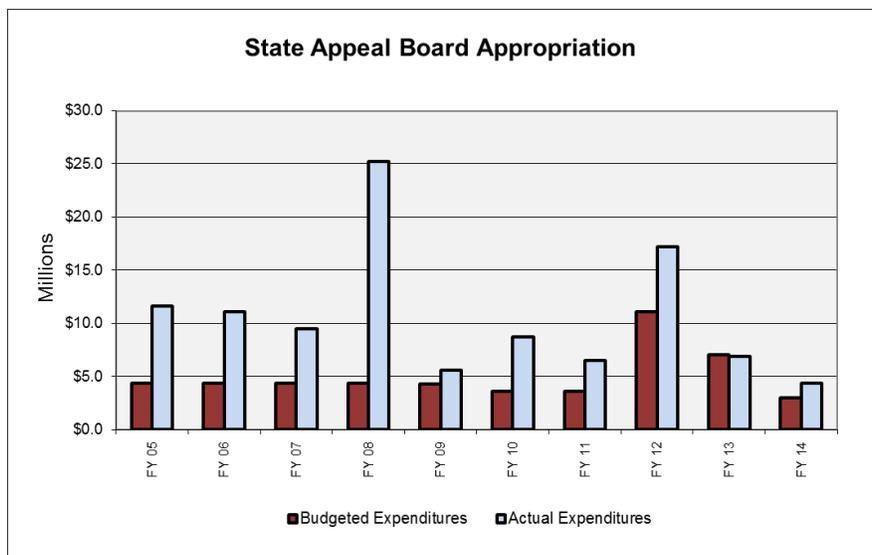
The State Appeal Board is comprised of the Auditor of State, Treasurer of State, and the Director of the Department of Management. The purpose of the Board is to approve or reject the payment of claims against the State or a State employee and to resolve local budget protests. The Board also ratifies payments associated with court judgments and settlements against the State.

### Expenditures – Actual vs Budget

The majority of the expenditures approved by the Appeal Board are paid through a General Fund standing unlimited appropriation. Due to the statutory functions of the Board and the nature of the appropriation, year-end expenditures are difficult to estimate for budgeting purposes. This is illustrated in the chart below that shows over the last 10 years the actual expenditures paid through the appropriation have exceeded the amount budgeted annually by the General Assembly and the Governor. During this 10-year period, the average amount budgeted annually for the Appeal Board appropriation has been \$5.0 million. However, actual year-end expenditures have averaged \$10.7 million annually. When year-end expenditures exceed the amount budgeted, the excess is paid from the year-end General Fund surplus, reducing the amount of General Fund money that is transferred to the reserve funds.

Establishing a budget for Appeal Board costs is difficult due to unforeseen settlements and judgments against the State. In FY 2008, the year-end expenditures totaled \$25.2 million. Of this, \$15.8 million was for claims associated with Iowa Lottery TouchPlay settlements. That year there were also several other large claims paid that were unanticipated at the time the budget was approved. The following three fiscal years, actual expenditures were significantly less than the amount paid out in FY 2008. However, in FY 2012, the expenses rose to \$17.2 million, largely due to the payment of claims involving the State film office and several large claims involving the Regents institutions and the University of Iowa Hospitals and Clinics.

Over the last two fiscal years, expenditures through the Appeal Board appropriation have decreased considerably. Expenses dropped to \$6.9 million in FY 2013 and \$4.4 million in FY 2014. Of the total costs, approximately 45.0% were associated with claims at the University of Iowa Hospitals and Clinics. Claims involving the Hospital totaled \$3.0 million in FY 2013 and \$2.0 million in FY 2014.



### More Information

State Appeal Board: <http://www.dom.state.ia.us/appeals/index.html>

Iowa General Assembly: <https://www.legis.iowa.gov/>

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